

Agency 111

**Department of Personnel****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	213.3		54,332	54,332
<b>Supplemental Changes</b>				
HRMS Renegotiation Costs			6,400	6,400
Pay Raise Deferment Project			7,400	7,400
Safety Employees Retirement Plan	.1		125	125
Pension Plan 1 Unfunded Liabilities			102	102
Classification Revisions			(7)	(7)
Central Service Agency Charges			136	136
<b>Subtotal - Supplemental Changes</b>	0.1		14,156	14,156
<b>Total Proposed Budget</b>	213.4		68,488	68,488
Difference	.1		14,156	14,156
Percent Change	0.0%		26.1%	26.1%

**SUPPLEMENTAL CHANGES****HRMS Renegotiation Costs**

The Department of Personnel (DOP) launched the Human Resource Management System (HRMS) project in September 2003. In the spring of 2005, DOP renegotiated the project's scope and schedule. DOP is authorized to expend revenue collected from its services charge for costs related to these project changes. Agencies have sufficient funding to pay for these increased system costs. (Department of Personnel Service Account-State)

**Pay Raise Deferment Project**

The 2005-07 biennial budget directed that state employee pay increases be implemented in July for represented employees and September for nonrepresented employees. Accommodating the staggered pay raise required that significant time and resources be redirected from the HRMS project to reconfigure the old PAY1 payroll system. This reallocation of resources during a critical testing phase delayed the HRMS project by four months at a cost of \$7.9 million. The Department of Personnel received \$500,000 from the Governor's emergency fund to put towards this cost. The agency is provided the additional \$7.4 million necessary to fund this project. (Data Processing Revolving Account-Nonappropriated)

**Safety Employees Retirement Plan**

The Human Resource Management System must be modified to accommodate the Public Safety Employees Retirement System Plan 2 created during the 2004 legislative session. This plan is for public employees whose jobs contain a high degree of physical risk to their personal safety. (Data Processing Revolving Account-Nonappropriated)